



# PRESS RELEASE

Federal Deposit Insurance Corporation • Each Depositor insured to at least \$250,000

**FOR IMMEDIATE RELEASE**  
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## **Banco Popular de Puerto Rico, San Juan, Puerto Rico, Assumes All of the Deposits of Westernbank Puerto Rico, Mayaguez, Puerto Rico**

[En Español](#)

Westernbank Puerto Rico, Mayaguez, Puerto Rico, was closed today by the Office of the Commissioner of Financial Institutions of the Commonwealth of Puerto Rico, which appointed the Federal Deposit Insurance Corporation (FDIC) as receiver. To protect the depositors, the FDIC entered into a purchase and assumption agreement with Banco Popular de Puerto Rico, San Juan, Puerto Rico, to assume all of the deposits of Westernbank Puerto Rico.

The 46 branches of Westernbank Puerto Rico will reopen during normal business hours as branches of Banco Popular de Puerto Rico. Depositors of Westernbank Puerto Rico will automatically become depositors of Banco Popular de Puerto Rico. Deposits will continue to be insured by the FDIC, so there is no need for customers to change their banking relationship to retain their deposit insurance coverage. Customers should continue to use their former Westernbank Puerto Rico branch until they receive notice from Banco Popular de Puerto Rico that it has completed systems changes to allow other Banco Popular de Puerto Rico branches to process their accounts as well.

This evening and over the weekend, depositors of Westernbank Puerto Rico can access their money by writing checks or using ATM or debit cards. Checks drawn on the bank will continue to be processed. Loan customers should continue to make their payments as usual.

As of December 31, 2009, Westernbank Puerto Rico had approximately \$11.94 billion in total assets and \$8.62 billion in total deposits. Banco Popular de Puerto Rico did not



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

FDIC press releases and other information are available on the Internet at [www.fdic.gov](http://www.fdic.gov), by subscription electronically (go to [www.fdic.gov/about/subscriptions/index.html](http://www.fdic.gov/about/subscriptions/index.html)) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). PR-97-2010

pay the FDIC a premium to assume all of the deposits of Westernbank Puerto Rico. In addition to assuming all of the deposits, Banco Popular de Puerto Rico agreed to purchase approximately \$9.39 billion of the failed bank's assets. The FDIC will retain the remaining assets for later disposition.

The FDIC and Banco Popular de Puerto Rico entered into a loss-share transaction on \$8.77 billion of Westernbank Puerto Rico's assets. Banco Popular de Puerto Rico will share in the losses on the asset pools covered under the loss-share agreement. The loss-share transaction is projected to maximize returns on the assets covered by keeping them in the private sector. The transaction also is expected to minimize disruptions for loan customers. For more information on loss share, please visit: <http://www.fdic.gov/bank/individual/failed/lossshare/index.html>.

Customers who have questions about today's transaction can call the FDIC toll-free at 1-800-591-2909. The phone number will be operational this evening until 9:00 p.m., Atlantic Standard Time (AST); on Saturday from 9:00 a.m. to 6:00 p.m., AST; on Sunday from noon to 6:00 p.m. AST; and thereafter from 8:00 a.m. to 8:00 p.m., AST. Interested parties also can visit the FDIC's Web site at <http://www.fdic.gov/bank/individual/failed/westernbank-puertorico.html> or <http://www.fdic.gov/bank/individual/failed/westernbank-puertorico-spanish.html>.

The FDIC encourages all bank customers to review more information about the transaction by visiting [www.fdicseguro.gov](http://www.fdicseguro.gov).

As part of this transaction, the FDIC will acquire a value appreciation instrument. This instrument serves as additional consideration for the transaction.

The FDIC estimates that the cost to the Deposit Insurance Fund (DIF) will be \$3.31 billion. Banco Popular de Puerto Rico's acquisition of all the deposits was the "least costly" resolution for the FDIC's DIF compared to all alternatives. Westernbank Puerto Rico is the 60th FDIC-insured institution to fail in the nation this year. Western Bank was one of three institutions closed in Puerto Rico today.

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